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FISCAL IMPACT STATEMENT

LS 6746

BILL NUMBER: SB 285

NOTE PREPARED: Dec 28, 2007

BILL AMENDED:

SUBJECT: Removal of Child Receiving Foster Care.

FIRST AUTHOR: Sen. Sipes

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
☒ FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires a court to hold a hearing to determine the extent to which a foster child has bonded with a foster parent if the Department of Child Services or a court intends to remove the foster child from the home of the foster parent and the foster child has lived with the foster parent for more than two years. The bill also provides that if a court determines that a child has bonded with a foster parent to a considerable degree, the foster child may not be removed from the home of the foster parent for at least six months.

Effective Date: July 1, 2008.

Explanation of State Expenditures:

Explanation of State Revenues: The state receives federal adoption funding from Title IV-B, Subparts 1 and 2, as well as from the Adoption Promotion Act of 2003. Federal adoption incentive dollars are contingent upon the adoption rate and placement rate per year in a state. This bill may delay the permanency placement of foster children until 6 months after the court determines a child has bonded with a foster parent. This provision may decrease federal funding provided to the state to the extent that (1) delays decrease the total demand for adoptions in the state and (2) adoption numbers are displaced to later years as a result of the 6-month delay. Federal adoption revenue is used to fund administrative costs of providing adoption services, salaries for placement agencies, employee training, adoptive parent training, adoption projects, as well as other programs that support the mission or permanency placement. The potential reduction in federal revenue as a result of any change in the demand for adoptions or in the state adoption and placement rate per year, if any, is indeterminable, but likely to be small.

Background Information: The Department of Child Services (DCS) reports that of foster children that are adopted, a majority are adopted by their foster parents.

Explanation of Local Expenditures: *Court Hearing Provision:* This bill creates the need for additional court hearings before a child is removed from foster care. Court caseload may increase to the extent that DCS or a court attempts to remove children from foster care who have resided with a single foster care family for longer than two years.

Expenditures on foster care may be impacted to the extent that foster care increases as a result of this bill. Children reside in foster care until they are either adopted or age out of the system. The costs to counties of providing foster care will increase to the extent that the average stay in foster care increases. Foster care costs are paid out of the Family and Children funds, funded from local property taxes.

Removal without a Court Hearing: The legislation also provides that a court or DCS may remove a child from a foster parent without a court hearing provided that the foster parent is (1) the subject of a substantiated report related to child abuse or neglect or (2) is convicted of a felony. This provision provides statutory authority for DCS or a court to remove children from foster homes under the conditions stated in the legislation.

Background Information: Currently, DCS can remove a foster child if a foster parent is an alleged perpetrator of an allegation of child abuse or neglect or if the child is believed to be in imminent danger. This ability is currently provided by a court determination that a foster child is the ward of DCS, and it is the Department's responsibility to act in the best interests of the child, including removal of foster children from foster families in certain circumstances.

Foster families receive licensing through two different means: DCS or a private Licensed Child Placement Agency (LCPA). DCS-licensed foster families receive a per diem salary from the county family and children's fund. LCPAs receive funding from sources that include DCS, the federal government, and private sources. Funding provided to LCPAs is then transferred to LCPA-licensed foster families.

DCS also reports that the average length of stay for foster children in foster care is 7 months in the state of Indiana and 30 months in the United States.

Explanation of Local Revenues:

State Agencies Affected: Department of Child Services, Family and Social Services Administration.

Local Agencies Affected: Licensed Child Placement Agencies, Licensed Foster Care Providers, local courts of jurisdiction.

Information Sources: Meg Sterchi, Director, Adoptions of Indiana, Inc., 574-8950; Clara Anderson, Executive Vice President of Advocacy, Children's Bureau Inc., 264-2700; Ann Houseworth, DCS, 234-4484; U.S. Department of Health and Human Services.

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